

Extraordinary/ Special General Meeting::Voluntary**Issuer & Securities**

Issuer/ Manager	UNITED FOOD HOLDINGS LIMITED
Security	UNITED FOOD HOLDINGS LIMITED - BMG9232V2045 - AZR

Announcement Details

Announcement Title	Extraordinary/ Special General Meeting
Date & Time of Broadcast	14-Mar-2018 07:46:03
Status	New
Announcement Reference	SG180314XMETK73A
Submitted By (Co./ Ind. Name)	Song Yanan
Designation	Non-Executive Chairman

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please see attached.

Event Dates

Meeting Date and Time	29/03/2018 10:00:00
Response Deadline Date	27/03/2018 10:00:00

Event Venue(s)

Place				
<table border="0"> <tr> <td>Venue(s)</td> <td>Venue details</td> </tr> <tr> <td>Meeting Venue</td> <td>Room 602, Level 6 RELC International Hotel 30 Orange Grove Road Singapore 258352</td> </tr> </table>	Venue(s)	Venue details	Meeting Venue	Room 602, Level 6 RELC International Hotel 30 Orange Grove Road Singapore 258352
Venue(s)	Venue details			
Meeting Venue	Room 602, Level 6 RELC International Hotel 30 Orange Grove Road Singapore 258352			

Attachments	<p>United Food - Notice of SGM.pdf</p> <p>United Food - Circular on Proposed Disposal of Post-Ante Trading Limited.pdf</p> <p>United Food - Despatch of Circular.pdf</p> <p>Total size =666K</p>
--------------------	--



Like 0



Tweet



G+



Share



UNITED FOOD HOLDINGS LIMITED

聯合食品控股有限公司

(Incorporated in Bermuda as an exempted company limited by shares)

(Company Registration Number: 28925)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting (“SGM”) of United Food Holdings Limited (the “Company”) will be held at Room 602, Level 6, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on 29 March 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution as an ordinary resolution:

All capitalised terms used in this Notice of SGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular dated 14 March 2018 to the Shareholders of the Company (the “Circular”).

AS ORDINARY RESOLUTION

RESOLUTION: THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF POST-ANTE TRADING LIMITED AS A MAJOR TRANSACTION

That approval be and is hereby given for:

- (a) the disposal of 100% of the issued and paid-up share capital of Post-Ante Trading Limited for an aggregate consideration of RMB75,000,000 which shall be satisfied by (i) a refundable cash deposit of RMB20,000,000; (ii) a cash consideration of RMB40,000,000 and (iii) a further cash amount of RMB15,000,000 payable to the Company at any time during the six month period commencing from the completion date of the Proposed Disposal (as defined herein), subject to the terms and conditions of the sale and purchase agreement dated 24 November 2017 as entered into between Financial Services Company for Innovative Industry in China Limited (the “Purchaser”) and the Company (the “Vendor”) (the “SPA”) (the “Proposed Disposal”); and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all acts and things as they and/or each of them may consider desirable, necessary or expedient for the purposes of or in connection with the Proposed Disposal and to give effect to this resolution (including any amendment to the SPA, execution of any other agreements or documents and procurement of third party consents as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company).

By Order of the Board

United Food Holdings Limited

Yoo Loo Ping
Chiang Wai Ming
Joint Company Secretaries
14 March 2018

IMPORTANT: Please read notes below.

Notes:

1. A depositor holding Shares through The Central Depository (Pte) Limited (“Depositor”) who is an individual and who wishes to attend the SGM in person need not take any further action and can attend and vote at the SGM as The Central Depository (Pte) Limited’s proxy without the lodgement of any proxy form.
2. A Depositor who is an individual but is unable to attend the SGM personally and wishes to appoint a nominee as The Central Depository (Pte) Limited’s proxy to attend and vote on his behalf, must complete, sign and return the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the SGM. Similarly, a Depositor who is a corporation and who wishes to attend the SGM must submit the Depositor Proxy Form for the appointment of nominee(s) to attend and vote at the SGM on its behalf.
3. If a member with Shares registered in his name in the Register of Members is unable to attend the SGM and wishes to appoint a proxy to attend and vote at the SGM in his stead, he should complete and sign the relevant Member Proxy Form and deposit the duly completed Member Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the SGM.
4. If a person who has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members is unable to attend the SGM and wishes to be represented at the SGM, he should use the Depositor Proxy Form and the Member Proxy Form, respectively, for the Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members.
5. If the member or Depositor is a corporation, the proxy form must be executed under seal or the hand of its duly authorised officer or attorney.
6. All proxy forms must be deposited at the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the SGM.
7. A proxy need not be a member.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor’s personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor’s breach of warranty.

CIRCULAR DATED 14 MARCH 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid ordinary shares (“**Shares**”) in the capital of United Food Holdings Limited (“**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Special General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Special General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should forward this Circular with the Notice of Special General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

Your attention is drawn to section 6 of this Circular in respect of actions to be taken if you wish to attend and vote at the Special General Meeting.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



UNITED FOOD HOLDINGS LIMITED

聯合食品控股有限公司

(Incorporated in Bermuda as an exempted company limited by shares)

(Company Registration Number: 28925)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
POST-ANTE TRADING LIMITED AS A MAJOR TRANSACTION**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	27 March 2018 at 10.00 a.m.
Date and time of Special General Meeting	:	29 March 2018 at 10.00 a.m.
Place of Special General Meeting	:	Room 602, Level 6, RELC International Hotel, 30 Orange Grove Road, Singapore 258352

CONTENTS

DEFINITIONS	1
LETTER TO SHAREHOLDERS	5
1 INTRODUCTION	5
2 THE PROPOSED DISPOSAL	5
3 FINANCIAL EFFECTS	15
4 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	17
5 SPECIAL GENERAL MEETING	18
6 ACTION TO BE TAKEN BY SHAREHOLDERS	18
7 DIRECTORS' RECOMMENDATIONS.....	19
8 DIRECTORS' RESPONSIBILITY STATEMENT	19
9 DOCUMENTS AVAILABLE FOR INSPECTION	19
NOTICE OF SPECIAL GENERAL MEETING	N-1

DEFINITIONS

In this Circular, the following words and phrases shall have the meanings set out against them unless the context otherwise requires:

- “2017 February Placement”** : The issuance of 22,016,173 Shares of S\$0.038 per Share on 20 February 2017 pursuant to the announcements released by the Company on 16 January 2017, 13 February 2017, 20 February 2017, 12 May 2017 and 1 August 2017
- “2017 August Placement”** : The issuance of 25,804,343 Shares of S\$0.390 per Share on 22 August 2017 pursuant to the announcements released by the Company on 12 July 2017, 7 August 2017 and 22 August 2017
- “2017 Placements”** : Collectively, the 2017 February Placement and the 2017 August Placement
- “Acquisition of Really Time Trading”** : The acquisition of 80% of the entire issued and paid-up share capital of Really Time Trading Limited by Pearlfield China Limited on 22 August 2017, pursuant to the announcements released by the Company on 21 April 2017, 15 May 2017, 7 June 2017, 7 August 2017 and 22 August 2017
- “Bermuda Companies Act”** : The Companies Act 1981 of Bermuda, as amended, modified, and supplemented from time to time
- “Board”** : The board of Directors of the Company as at the date of this Circular
- “Business Day”** : A day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which banks are open for normal banking business in Hong Kong
- “Bye-laws”** : The bye-laws of the Company
- “Cash Consideration”** : RMB40,000,000 payable by the Purchaser to the Company at Completion Date
- “Circular”** : This circular to Shareholders dated 14 March 2018
- “Company” or “Vendor”** : United Food Holdings Limited
- “Completion”** : Completion of the Proposed Disposal
- “Completion Date”** : The date of Completion of the Proposed Disposal
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the total number of issued Shares in the Company excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
 - (b) in fact exercises control over the Company
- “Deposit”** : A deposit of RMB20,000,000 in relation to the Proposed Disposal
- “Directors”** : The directors of the Company as at the date of this Circular

DEFINITIONS

“Disposal Group”	:	Collectively, PATL and its subsidiaries, being Globe Bright Limited, Linyi Jiang Tian Trading Ltd. (临沂江天贸易有限公司) and Linyi Shengquan Grease Co., Ltd. (临沂盛泉油脂化工有限公司), and each, a “Disposal Company”
“FY”	:	Financial year ended 31 December
“GFA”	:	Gross floor area
“Group”	:	The Company and its Subsidiaries
“Latest Practicable Date”	:	1 March 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST as amended, modified or supplemented from time to time
“Longstop Date”	:	30 June 2018
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Memorandum”	:	The memorandum of association of the Company
“NAV”	:	Net asset value
“Notice of SGM”	:	Notice of special general meeting, as set out on pages N-1 to N-2 of this Circular
“NTA”	:	Net tangible assets
“Option”	:	Has the meaning ascribed to it in section 2.6.2 of this Circular
“Option Shares”	:	Has the meaning ascribed to it in section 2.6.2 of this Circular
“PATL”	:	Has the meaning ascribed to it in section 2.1 of this Circular
“PRC”	:	People's Republic of China
“Proposed Acquisition”	:	The proposed acquisition of (i) 80% equity interests in Hebei Xingrun Shengwu Keji Gufen Co., Ltd. (河北兴润生物科技股份有限公司) (“HBXR”) (ii) 80% equity interests in Chengde Purun Shengwu Zhiyao Co., Ltd. (承德普润生物制药有限公司) (“CDPR”) and (iii) 25,641,026 ordinary shares representing 80% of the issued and paid-up share capital of Benchmark Trade Limited (“Benchmark”)
“Proposed Disposal”	:	Has the meaning ascribed to it in section 1 of this Circular
“Purchaser”	:	Financial Services Company for Innovative Industry in China Limited (Company Registration No. 2121256), a company limited by shares incorporated in Hong Kong and having its registered office address at Unit 1102, 11/F, Pacific Plaza, 418 Des Voeux Road West, Hong Kong
“Purchase Consideration”	:	The aggregate purchase consideration of RMB75,000,000, details of which are set out in section 2.6.1 of this Circular

DEFINITIONS

“Register of Members”	:	The principal register of members and where applicable, any branch register of members, of the Company kept pursuant to the Bermuda Companies Act
“Remaining Consideration”	:	Has the meaning ascribed to it in section 2.6.1 of this Circular
“Remaining Consideration Period”	:	Has the meaning ascribed to it in section 2.6.1 of this Circular
“SGM”	:	The special general meeting of the Company to be held on 29 March 2018 at 10.00 a.m. at Room 602, Level 6, RELC International Hotel, 30 Orange Grove Road, Singapore 258352, notice of which is set out on pages N-1 to N-2 of this Circular
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Shares
“Shares”	:	Fully paid ordinary shares in the capital of the Company
“SPA”	:	Has the meaning ascribed to it in section 2.1 of the Circular
“Sale Shares”	:	Has the meaning ascribed to it in section 2.1 of the Circular
“Subsidiary” or “Subsidiaries”	:	Shall have the meaning ascribed to it in the Bermuda Companies Act
“Substantial Shareholder”	:	A person who has an interest directly or indirectly in 5% or more of the total number of issued Shares in the Company
“sq m”	:	Square metres
“%”	:	Per centum or percentage
“HK\$”	:	Hong Kong dollars
“RMB”	:	Renminbi dollars
“S\$”	:	Singapore dollars
“US\$”	:	United States dollars

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”).

Words importing the singular, shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Bermuda Companies Act, the SFA or the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Bermuda Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided herein.

DEFINITIONS

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

LETTER TO SHAREHOLDERS

UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda as an exempted company limited by shares)
(Company Registration Number: 28925)

Directors:

Song Yanan	(Non-Executive Chairman)
Wu Xiaoran	(Executive Director)
Ling Chung Yee Roy	(Lead Independent Director)
Chng Hee Kok	(Independent Director)
John Ng	(Independent Director)

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

14 March 2018

TO: THE SHAREHOLDERS OF UNITED FOOD HOLDINGS LIMITED

THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF POST-ANTE TRADING LIMITED AS A MAJOR TRANSACTION

Dear Sir/Madam

1 INTRODUCTION

The Board is convening the SGM to seek Shareholders' approval for the proposed disposal of the entire issued and paid-up share capital of Post-Ante Trading Limited ("**Proposed Disposal**").

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Proposed Disposal to be tabled at the SGM and to seek Shareholders' approval for the resolution relating to the same. The Notice of the SGM is set out on pages N-1 to N-2 of this Circular.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

2 THE PROPOSED DISPOSAL

2.1 BACKGROUND

On 17 October 2017, the Board had announced that the Company had received an offer to dispose of Post-Ante Trading Limited ("**PATL**") to Financial Services Company for Innovative Industry in China Limited ("**Purchaser**"). Subsequently, on 24 November 2017, the Board announced that the Company had on 24 November 2017 entered into a sale and purchase agreement ("**SPA**") with the Purchaser, for the sale of 200 ordinary shares, representing 100% of the issued and paid-up share capital of PATL (collectively, the "**Sale Shares**") for a Purchase Consideration of RMB75,000,000.

The Purchaser will purchase the Sale Shares for an aggregate Purchase Consideration of RMB75,000,000 (equivalent to approximately S\$15,657,947 based on a foreign currency exchange rate of S\$1: RMB4.7899 as at 1 March 2017), to be satisfied by (i) a Deposit of RMB20,000,000 upon the signing of the SPA, (ii) a Cash Consideration of RMB40,000,000 payable at Completion Date, and (iii) a further cash amount of RMB15,000,000 payable during the Remaining Consideration Period. Please refer to section 2.6.1 of this Circular for more details on the Purchase Consideration.

LETTER TO SHAREHOLDERS

2.2 THE DISPOSAL GROUP

PATL is a company incorporated in the British Virgin Islands on 21 June 1993. It has three wholly-owned subsidiaries, namely Globe Bright Limited, Linyi Jiang Tian Trading Ltd. (临沂江天贸易有限公司) and Linyi Shengquan Grease Co., Ltd. (临沂盛泉油脂化工有限公司).

As at the Latest Practicable Date, the general incorporation details of the Disposal Group are set out below:

Name	Principal Activities	Place of Incorporation	Issued / Registered share capital
<u>Directly held by the Company</u>			
PATL	Investment holding	British Virgin Islands	US\$200
<u>Held by PATL</u>			
Globe Bright Limited ⁽¹⁾	Provision of administrative services	Hong Kong	HK\$100
Linyi Shengquan Grease Co., Ltd. (临沂盛泉油脂化工有限公司) ⁽²⁾⁽³⁾	Production and sale of soybean meal and soybean oil and feed production	PRC	US\$59,900,000
<u>Held by Globe Bright Limited</u>			
Linyi Jiang Tian Trading Ltd. (临沂江天贸易有限公司)	Trading of food products	PRC	RMB10,000,000

Notes:

- (1) 99% of the issued and paid-up share capital of Globe Bright Limited is held by PATL, and the remaining 1% of the issued and paid-up share capital of Globe Bright Limited is held by Wang Tingbao, a Substantial Shareholder of the Company, on trust for PATL.
- (2) The Group has suspended the production and sale of soybean meal and soybean oil since July 2015.
- (3) On 30 September 2016, the Group announced that it will close one of the two animal feed production centres situated in Jiangquan Village, Linyi City, Shandong Province, PRC, with effect from 1 October 2016.

The Disposal Group is in the business of soybean processing and animal feed production in the PRC, after ceasing operations in the pig rearing segment during the year ended 31 December 2014. However, the soybean processing division of the Disposal Group has also ceased operations since 5 July 2015, due to anti-pollution reasons, where the local government in Linyi City, Shandong Province, PRC, ordered more than 50 companies in Linyi City involved in heavy industries and power generation to stop production. This indirectly affected the Disposal Group in terms of higher operating expenses, in particular the Disposal Group's utility costs in processing the soybean materials. This, coupled together with the

LETTER TO SHAREHOLDERS

rising raw material costs for the import of soybeans, created an increasingly challenging business environment for the Disposal Group.

Subsequently, as part of the Group's efforts to restructure its business and improve its operational efficiency and cost effectiveness, the Group had on 1 October 2016, closed down one of its animal feed production centres situated in Jiangquan Village, Linyi City, Shandong Province, PRC ("**Jiangquan Plant**"). The Disposal Group has one feed production centre that remains in operation, situated in Yishui County, Linyi City, Shandong Province, PRC ("**Yishui Plant**").

The main assets held by the Disposal Group are land use rights, used for pig rearing, soybean processing and animal feed production purposes, situated in Linyi City, Shandong Province, PRC, with an aggregate site area of 591,065.7 sq m, the earliest of which will expire on 30 December 2030 and the latest to expire on 30 November 2056.

The details of the land use rights held by the Disposal Group are as follows:

Location	Total site area (sq m)	Total GFA (sq m)	Use	Expiry date of the land use rights
Shenquan Village, Luo Zhuang District, Linyi City, Shandong Province, PRC	240,001.2	118,090	Industrial	16 July 2033
Shenquan Village, Luo Zhuang District, Linyi City, Shandong Province, PRC	154,463.7	6,199.6	Industrial	30 November 2056
Jigeng Road, Yishui County, Linyi City, Shandong Province, PRC	66,600.0	6,306.3	Industrial	30 December 2030
Jigeng Road, Yishui County, Linyi City, Shandong Province, PRC	73,333.7	-	Industrial	4 March 2033
North of Xiaoshen Village, Bahu Town, Hedong District, Linyi City, Shandong Province, PRC	56,667.1	-	Industrial	29 March 2053

The Disposal Group also holds machineries and equipment in Linyi City, Shandong Province, PRC. Due to the cessation of certain segments of its business, the Disposal Group has not kept up with the maintenance of most of these assets, and as a result, most of these machineries and assets have been idle for a period of time since 2015. For example, the assets held at the Jiangquan Plant are unlikely to resume operation in the foreseeable future, while the assets situated at the Yishui Plant are generally in usable, working conditions and capable of operating for the purposes they were designed for.

LETTER TO SHAREHOLDERS

For the purposes of providing the Board with an indicative value of the land use rights and its buildings, and machineries and equipment, the Company had appointed an independent valuer, BMI Appraisals Limited for a valuation of these assets. While the independent indicative value of the assets of approximately RMB98 million represents an amount of approximately RMB23 million in excess of the Purchase Consideration, it did not take into consideration the liabilities of the Disposal Group. A copy of the valuation report dated 3 October 2017 by BMI Appraisals Limited on three industrial parcels and two land parcels, and a copy of the valuation report dated 3 October 2017 by BMI Appraisals Limited on the machineries and equipment will be available for inspection at the Company's corporate secretary's office as, set out in section 9 of this Circular.

2.3 INFORMATION ON THE PURCHASER

The Purchaser is a company limited by shares incorporated in Hong Kong on 16 July 2014. It is engaged in the business of investment holding and asset management. The Purchaser was introduced to the Company by our Non-Executive Chairman, Ms Song Yanan. The sole director of the Purchaser is Mr. Zeng Jianjun (曾建军). The shareholders of the Purchaser in equal shares are Mr. Zeng Jianjun (曾建军) and Ms. Zhou Jinmei (周金梅).

Mr. Zeng is responsible for the overall business development and strategic planning of the Purchaser, and has nearly 15 years of experience in the food industry. Ms. Zhou is a key partner in the Purchaser, and is responsible for the external financing of the Purchaser. She has over 11 years of experience in corporate finance.

The Purchaser intends to acquire land use rights in Shandong Province, PRC through the acquisition of the Disposal Group, for investment purposes.

As at the date of this Circular, the Purchaser does not have any shareholding interest, direct or indirect in the Company, nor is the Purchaser related to any of the Directors, Controlling Shareholders, or their respective associates. Our Directors, Controlling Shareholders and their respective associates do not have any shareholding interests, direct or indirect, in the Purchaser, nor are any of the Directors, Controlling Shareholders and their respective associates related to the Purchaser's directors, controlling shareholders, or their respective associates. Our Directors, Controlling Shareholders and their respective associates do not have any connection (including business dealings) with the Purchaser or the Purchaser's directors, controlling shareholders and their respective associates.

2.4 RATIONALE FOR THE PROPOSED DISPOSAL

The Disposal Group's soybean processing division did not have any revenue in FY2016 due to the suspension of the production of this division since 5 July 2015. This is in comparison to the revenue of RMB2.0 billion and RMB4.8 billion in FY2015 and FY2014, respectively.

Due to the uncertainty in the supply of utilities in Linyi City, where our soybean production plants are situated, as well as raw material costs for soybeans, the Disposal Group is unable to commence production in the soybean production division until the local government in Linyi City, Shandong Province, PRC, clarifies its policies on pollution from power generating plants. In the event the pollution policies do not improve, the Group may face further challenges if it continues to operate in the soybean processing industry.

In FY2015, the animal feed division recorded a revenue of RMB 258.2 million, but recorded a loss of RMB 48.1 million mainly due to an increase in raw material costs. While the feed production division recorded a slightly higher revenue of RMB265.7 million in FY2016, the Group recorded a gross loss margin of 26.7% for the continuing operations in 2016 compared to that of 8.6% in 2015, and this was mainly due to a decrease in selling prices of the feed products and an increase in the cost of goods sold of those products in FY2016. For the nine months ended 30 September 2017, the Group's feed production segment recorded RMB32.0 million in revenue compared to RMB79.7 million for the nine months ended 30 September 2016, representing a decrease by 59.9%. The Group has remained cautious about the

LETTER TO SHAREHOLDERS

management of the feed production business in Linyi City, and intends to explore opportunities which would improve its financial position and increase shareholder value. The Company has since been on a lookout for any opportunity on the use or sale of land vacated by the Group's pig rearing business, which has ceased by 31 December 2014.

In view of the challenging market conditions, the Board believes that continued investment in the Disposal Group is unlikely in the foreseeable future due to the various practical and financial challenges in continuing to pursue business operations in the soybean processing industry, feed production centres or pig rearing business, notwithstanding the net loss attributable to the Sale Shares based on the 3Q2017 NAV (as defined below) but noting the net gain attributable to the Sale Shares based on the Adjusted NAV (as defined below) as set out in section 2.5.2 of this Circular. After careful consideration, the Board is of the opinion that the Proposed Disposal will allow the Group to dispose of underperforming assets for a valuable consideration. It will also allow the Company to re-strategise its financial and capital resources. With the Proposed Disposal, the Company will substantially reduce its losses and associated contingent liabilities (if any), have more working capital to fund its remaining operations, expand into other businesses of the Group and undertake new sustainable investment opportunities that may arise in the future, which will result in higher value to the Shareholders.

2.5 VALUATION OF THE DISPOSAL GROUP

2.5.1 Book Value of Sale Shares

The audited net book value of the Sale Shares as at 31 December 2016 was RMB 129,997,000. Subsequently, after deducting the operational losses of RMB35,051,000 attributable to PATL (arising from high operational expenses from the Disposal Group's current operations) and including foreign exchange differences of RMB1,458,000 as a result of price volatility between the HK\$ and RMB currencies, based on the latest announced consolidated accounts of the Group, for the nine months ended 30 September 2017, as at 30 September 2017, the unaudited book value of the Sale Shares is RMB96,404,000 ("**3Q2017 NAV**"). Following that, the Group made an adjustment to the non-current asset value by way of impairment to the plant and equipment of RMB34,312,000, pursuant to a valuation on the recoverable amount of the plant and equipment performed by a registered independent valuer, BMI Appraisals Limited, and on the basis that such assets have not been utilised for a long period of time, and that there is a minimal chance of revivals in such operations. Hence, as at 30 September 2017, the unaudited net book value of the Sale Shares is RMB62,092,000 ("**Adjusted NAV of the Sale Shares**").

2.5.2 Net gain/loss attributable to the disposal of the Sale Shares

Based on the Adjusted NAV of the Sale Shares as at 30 September 2017, the gross gain attributable to the disposal of the Sale Shares is RMB12,908,000. After the deduction of estimated costs and expenses to be incurred in connection with the Proposed Disposal, the net gain attributable to the Sale Shares is RMB12,408,000.

Based on the 3Q2017 NAV, after the deduction of estimated costs and expenses to be incurred in connection with the Proposed Disposal, the net loss attributable to the disposal of the Sale Shares is RMB21,404,000. After the deduction of estimated costs and expenses to be incurred in connection with the Proposed Disposal, the net loss attributable to the Sale Shares is RMB21,904,000.

LETTER TO SHAREHOLDERS

2.6 PRINCIPAL TERMS OF THE SPA IN CONNECTION WITH THE PROPOSED DISPOSAL

2.6.1 Purchase Consideration for the Proposed Disposal

The aggregate Purchase Consideration for the Sale Shares is RMB75,000,000, which comprise:

- (a) A Deposit of RMB20,000,000, which the Purchaser has deposited with the Company;
- (b) A Cash Consideration of RMB40,000,000 payable to the Company at Completion Date; and
- (c) A further cash amount of RMB15,000,000 ("**Remaining Consideration**") payable to the Company at any time during the six month period commencing from the Completion Date ("**Remaining Consideration Period**").

The Deposit shall be distributed back to the Purchaser without interest in the event Completion does not happen by the Longstop Date, and in such manner as the Purchaser shall notify the Company in writing not less than five Business Days prior to the proposed date of payment.

The Purchase Consideration was arrived at arm's length on a 'willing buyer willing seller' basis negotiation between the Purchaser and the Company, and after taking into account, the following:

- (a) The past loss-making position of the Disposal Group for the past two financial years and the Disposal Group's unaudited net loss of RMB35,051,000 for the nine months ended 30 September 2017;
- (b) The rationale for and benefits to the Group arising from the Proposed Disposal, details of which are set out in section 2.4 of this Circular;
- (c) The net proceeds representing a gain of RMB12,408,000 over the unaudited Adjusted NAV of the Sale Shares as at 30 September 2017, which is RMB62,092,000, or a loss of RMB21,904,000 over the 3Q2017 NAV as at 30 September 2017, which is RMB96,404,000;
- (d) The adjusted NTA value of the Disposal Group of RMB62,092,000 as at 30 September 2017; and
- (e) The general market conditions, industry growth prospects and the non-listed status of the Disposal Group.

2.6.2 Call Option

Pursuant to the terms of the SPA, in consideration of an option fee of RMB1.00 payable by the Company to the Purchaser, the Purchaser has granted the Company an option to purchase up to 40 ordinary shares in PATL (the "**Option Shares**"), representing up to 20% of the Sale Shares (the "**Option**"). In the event the Purchaser is unable to pay any part or all of the Remaining Consideration within the Remaining Consideration Period, the Company may exercise the Option during the 12 month period commencing on the expiry date of the Remaining Consideration Period ("**Option Period**") at the exercise price of RMB1.00 ("**Exercise Price**") by sending the Purchaser an option notice ("**Option Notice**") on a Business Day.

The Company will make an announcement when the following events take place:

- (a) Prior to expiry of the Remaining Consideration Period, the Company will announce when full payment has been made by the Purchaser;

LETTER TO SHAREHOLDERS

- (b) Upon expiry of the Remaining Consideration Period, the Company will disclose whether the Company has received payment from the Purchaser for the Remaining Consideration; and
- (c) In the event full payment of the Remaining Consideration is not received by the Company on the expiry date of the Remaining Consideration Period, the Board will promptly make its assessment on whether the Company should exercise the Option and disclose the Board's decision and basis.

In the event the Company chooses to exercise the Option, the Company will make an announcement to that effect. On the closing of the Option, which shall take place 15 Business Days after the date of the Option Notice, the Purchaser shall transfer the Option Shares to the Company, and deliver all relevant share certificates and other documents of title to the Option Shares to the Company.

2.6.3 Conditions Precedent

The agreement to sell and purchase the Sale Shares is conditional upon certain conditions precedent having been satisfied (or waived by the relevant party), such as the following:

- (a) The Purchaser having completed its legal, accounting and financial due diligence in relation to the Disposal Group, the title of the Disposal Group to their respective assets, and the Purchaser having notified the Company that the results of such due diligence are, in its absolute discretion, satisfactory;
- (b) The approval of the Shareholders being obtained at the SGM for the Proposed Disposal;
- (c) The Company having obtained all other necessary waivers, consents and approvals regarding the sale of the Sale Shares;
- (d) Wang Tingbao to execute an instrument of transfer for the shares held by Wang Tingbao in Globe Bright Limited, in favour of the Purchaser or its designated nominee;
- (e) Each of the Disposal Companies being in receipt of all relevant and required approvals for the change in directors and secretaries (as the case may be) from the relevant representatives of the Group to a representative of the Purchaser;
- (f) The Company being in receipt of all relevant and required approvals to implement and effect the sale of the Sale Shares; and
- (g) The Purchaser and the Company having obtained all the necessary waivers, consents and approval regarding the sale of the Sale Shares from the government, administrative or regulatory bodies in the British Virgin Islands and/or Singapore (where applicable).

2.6.4 Longstop Date

The Purchaser and the Company agree to use commercially reasonable endeavours to ensure the satisfaction of the conditions precedent as soon as practicable and in any event by the Longstop Date or such other date as the parties may mutually agree in writing. In the event completion of the Proposed Disposal does not occur by the Longstop Date, the Deposit shall be released and returned to the Purchaser, without interest in such manner as the Purchaser shall notify the Company in writing not less than five Business Days prior to the proposed date of payment.

2.7 Proceeds and use of Proceeds

The estimated net proceeds from the Proposed Disposal, based on the Purchase Consideration and after deducting estimated costs and expenses to be incurred in connection with the Proposed Disposal, is approximately RMB74,500,000. The net proceeds represent a gain of RMB12,408,000 over the unaudited Adjusted NAV of the Sale Shares, which is

LETTER TO SHAREHOLDERS

RMB62,092,000, or a loss of RMB21,904,000 over the 3Q2017 NAV, which is RMB96,404,000, as at 30 September 2017.

The Group intends to utilise the net proceeds in the following manner:

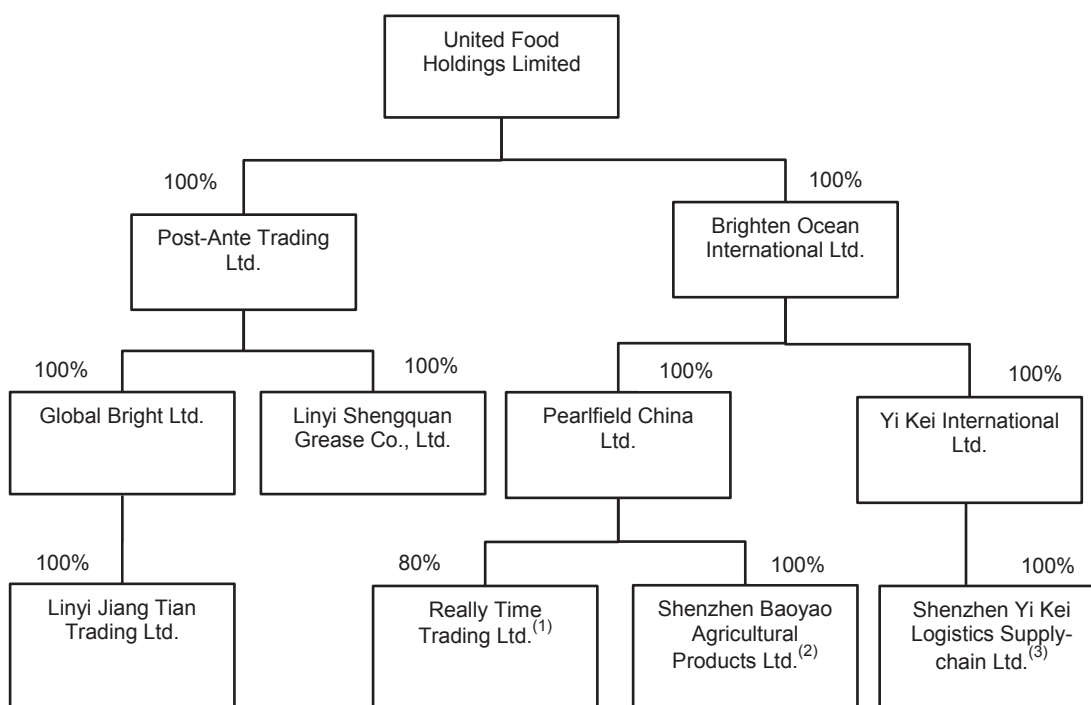
Use of Net Proceeds	Proportion	Amount of Net Proceeds (RMB)
Exploration of investments, acquisitions, strategic alliances and/or joint ventures	60%	44,700,000
General working capital	40 %	29,800,000

The Company will make an announcement as to the use of the proceeds from the Proposed Disposal as and when such proceeds are materially disbursed, and whether such a use is in accordance with the stated use. Where there is any material deviation from the stated use of proceeds, the Company will announce the reason for such a deviation.

Pending the deployment of the proceeds from the Proposed Disposal, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

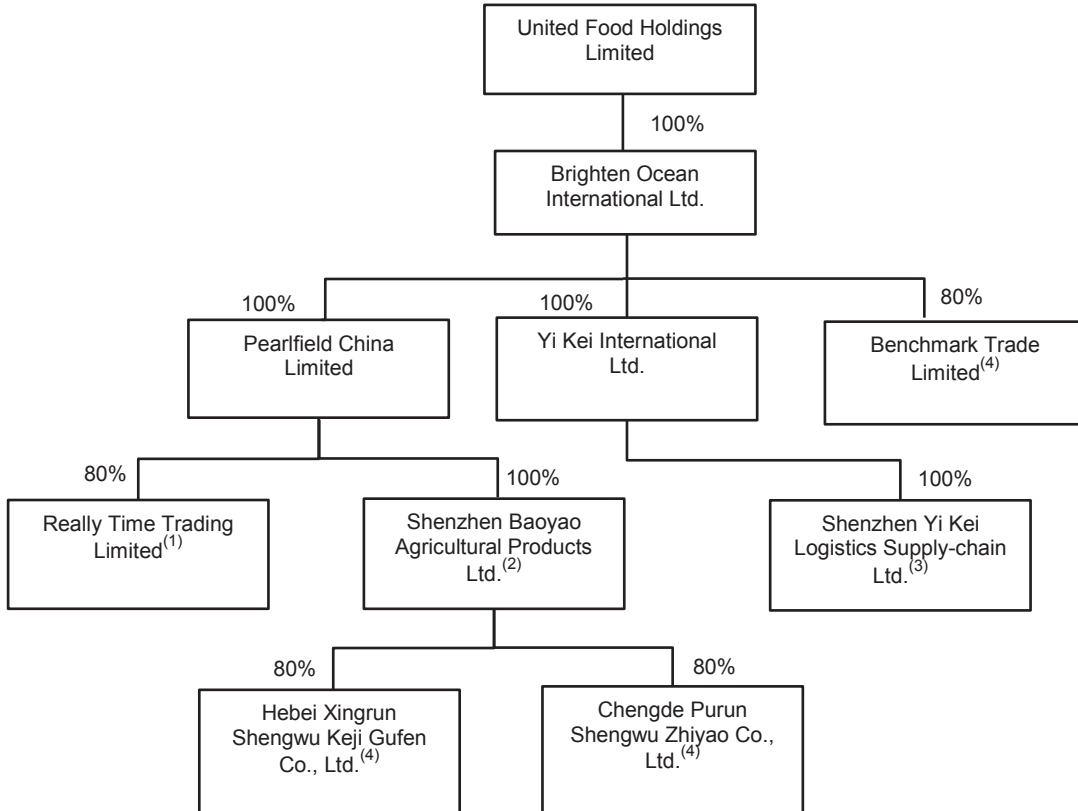
2.8 Group structure

As at the Latest Practical Date, the Group structure is as follows:



LETTER TO SHAREHOLDERS

The resultant Group structure after the Proposed Disposal and assuming completion of the Proposed Acquisition of (i) 80% equity interests in HBXR, (ii) 80% equity interests in CDPR, and (iii) 80% of the total shareholding interests in Benchmark as announced on 5 October 2017, will be as follows:



Notes:

- (1) Pursuant to the announcements released by the Company on 21 April 2017, 15 May 2017, 7 June 2017, 7 August 2017 and 22 August 2017, Pearlfield China Limited has completed its acquisition of 8,000 ordinary shares representing 80% of the entire issued and paid-up share capital of Really Time Trading Limited on 22 August 2017. Really Time Trading Limited is in the business of trading, procurement and distribution of food products including pork related food products, kitchenware, food additives and food related packing products and materials, in Hong Kong, the PRC and Southeast Asian countries.
- (2) Shenzhen Bao Yao Agricultural Products Limited is a company incorporated in the PRC that carries out trading of agricultural products.
- (3) Shenzhen Yi Kei Logistics Supply-chain Ltd. is a company incorporated in the PRC that operates the Group's logistic services division.
- (4) Pursuant to the announcement released by the Company on 5 October 2017, and pending approval from SGX-ST and the shareholders of the Company in a special general meeting, the Company will own 80% of the total equity interests in each of HBXR and CDPR, and 80% of the total shareholding interests in Benchmark. HBXR, CDPR and Benchmark (collectively, the "**Target Companies**") are collectively in the agribusiness and animal feed operations in the PRC, and are involved in the development, manufacture and sale of animal feed and animal feed-related products. The Target Companies also conduct extensive research and development into bio-chemical related technologies, and the development, synthesis and sale of antioxidants.

LETTER TO SHAREHOLDERS

2.9 Proposed Disposal as a Major Transaction

Based on the latest announced unaudited consolidated financial statements of the Group for the period ending 30 September 2017, the relative figures in respect of the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	43.92% ⁽¹⁾
(b)	Net loss ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net loss ⁽²⁾	94.94% ⁽³⁾
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	25.56% ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) The NAV of the Group and the Disposal Group as at 30 September 2017 are RMB219,508,000 and RMB96,404,000, respectively.
- (2) Under Rule 1002(3)(b) of the Listing Manual, 'net profit' means the profit before income tax, minority interests and extraordinary items and 'net loss' means the loss before income tax, minority interests and extraordinary items.
- (3) Determined by dividing the Disposal Group's unaudited net loss of RMB35,051,000 for the nine months ended 30 September 2017, by the Group's latest unaudited consolidated net loss of RMB36,918,000 for the nine months ended 30 September 2017.
- (4) Based on the aggregate value of the Purchase Consideration of RMB75,000,000, and the market capitalisation of the Company of RMB293,376,350 as at 23 November 2017 (being the Market Day preceding the date of the SPA) and based on the exchange rate of S\$1: RMB4.8894 as at 23 November 2017. Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the number of shares in issue being 157,901,384 Shares by the weighted average price of S\$0.380 of such shares transacted on 23 November 2017 (being the Market Day preceding the date of the SPA).

As the relative figures under Rule 1006 exceed 20% but is less than 100%, the Proposed Disposal constitutes a "major transaction" within the meaning of Chapter 10 of the Listing Manual, and pursuant to Rule 1010, it must be made conditional upon approval by Shareholders at a general meeting.

LETTER TO SHAREHOLDERS

3 FINANCIAL EFFECTS

The financial effects of the Proposed Disposal on the Group are prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 (“FY2016”) and the following assumptions:

- (a) The financial effects of the Proposed Disposal are purely for illustrative purposes and should not be taken as an indication of the actual financial performance or position of the Group following the Proposed Disposal nor a projection of the future financial performance or position of the Group after Completion of the Proposed Disposal;
- (b) For the purpose of computing the financial effects of the Proposed Disposal on the NTA, NAV and gearing of the Group, the Proposed Disposal is assumed to have been completed on 31 December 2016;
- (c) For the purpose of computing the financial effects of the Proposed Disposal on the earnings/losses of the Group, the Proposed Disposal is assumed to have been completed on 1 January 2016; and
- (d) Professional fees for the Proposed Disposal are assumed to be negligible against the NTA, NAV and earnings/losses of the Group.

3.1 NET TANGIBLE ASSETS

The effect on the NTA of the Group before and after the Proposed Disposal (based on the latest audited consolidated financial statements of the Group as at 31 December 2016) are as follows:

	Before the Proposed Disposal	Before the Proposed Disposal but after the 2017 Placements	Before the Proposed Disposal but after the 2017 Placements and Acquisition of Really Time Trading Limited	After the Proposed Disposal
NTA ⁽¹⁾ (RMB)	202,253,000	255,348,749	243,075,653	255,983,775
Number of Shares	110,080,868 ⁽²⁾	157,901,384 ⁽³⁾	157,901,384 ⁽³⁾	157,901,384 ⁽³⁾
NTA per Share (RMB)	1.84	1.62	1.54	1.62

Notes:

- (1) NTA is computed based on total assets less total liabilities and intangible assets, and includes adjustments based on the Adjusted NAV of the Sale Shares.
- (2) The total number of issued shares as at 31 December 2016 excludes the Shares of both the 2017 February Placement and the 2017 August Placement.
- (3) The total number of issued shares includes the Shares of both the 2017 February Placement and the 2017 August Placement.

3.2 NET ASSET VALUE

The effect on the NAV of the Group before and after the Proposed Disposal (based on the latest audited consolidated financial statements of the Group as at 31 December 2016) are as follows:

LETTER TO SHAREHOLDERS

	Before the Proposed Disposal	Before the Proposed Disposal but after the 2017 Placements	Before the Proposed Disposal but after the 2017 Placements and Acquisition of Really Time Trading Limited	After the Proposed Disposal
NAV ⁽¹⁾ (RMB)	202,253,000	255,348,749	255,547,879	268,456,001
Number of Shares	110,080,868 ⁽²⁾	157,901,384 ⁽³⁾	157,901,384 ⁽³⁾	157,901,384
NAV per Share (RMB)	1.84	1.62	1.62	1.70

Notes:

- (1) NAV is computed based on total assets less total liabilities, and includes adjustments based on the Adjusted NAV of the Sale Shares.
- (2) The total number of issued shares as at 31 December 2016 excludes the Shares of both the 2017 February Placement and the 2017 August Placement.
- (3) The total number of issued shares includes the Shares of both the 2017 February Placement and the 2017 August Placement.

3.3 LOSS PER SHARE

The effect on the loss per Share (“LPS”) of the Group before and after the Proposed Disposal (based on the latest audited consolidated financial statements of the Group as at 31 December 2016) are as follows:

	Before the Proposed Disposal	Before the Proposed Disposal but after the 2017 Placements	Before the Proposed Disposal but after the 2017 Placements and Acquisition of Really Time Trading Limited	After the Proposed Disposal
Net losses attributable to owners of the Company (RMB)	229,263,000	229,263,000	229,063,870	298,427,521
Weighted average number of Shares used in the computation of basic LPS	110,080,868 ⁽¹⁾	137,029,127 ⁽²⁾	137,029,127 ⁽²⁾	137,029,127 ⁽²⁾
Basic LPS (RMB) ⁽³⁾	2.08	1.67	1.67	2.18

Notes:

- (1) The total number of issued shares as at 31 December 2016 excludes the Shares of both the 2017 February Placement and the 2017 August Placement.
- (2) The total number of issued shares includes the Shares of both the 2017 February Placement and the 2017 August Placement.
- (3) Basic LPS is computed based on the weighted average number of Shares for the full financial year.

LETTER TO SHAREHOLDERS

3.4 GEARING

The effect on the gearing ratio of the Group before and after the Proposed Disposal (based on the latest audited consolidated financial statements of the Group as at 31 December 2016) are as follows:

	Before the Proposed Disposal	Before the Proposed Disposal but after the 2017 Placements	Before the Proposed Disposal but after the 2017 Placements, and Acquisition of Really Time Trading Limited	After the Proposed Disposal
Gearing Ratio	-	-	-	-

4 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the capital of the Company as at the Latest Practicable Date are as follows:

	Number of Shares			% of the issued share capital of the Company ⁽¹⁾
	Direct Interest	Deemed Interest	Total	
Directors				
Song Yanan ⁽²⁾	0	44,223,680	44,223,680	28.01
Wu Xiaoran	0	0	0	0
Ling Chung Yee Roy	0	0	0	0
Chng Hee Kok	0	0	0	0
John Ng	0	0	0	0
Substantial Shareholders				
Chinese Glory Investments Limited	22,012,442	0	22,012,442	13.94
Wang Tingbao ⁽³⁾	0	22,212,464	22,212,464	14.07
David Yip Wai Sun ⁽⁴⁾	0	22,012,442	22,012,442	13.94
Golden Ever International Property Management Limited	44,223,680	0	44,223,680	28.01
Gu Yulin	10,000,000	0	10,000,000	6.33
Liu Jun	10,000,000	0	10,000,000	6.33
Christine Mak ⁽⁵⁾	9,110,513	42,000	9,152,513	5.80

LETTER TO SHAREHOLDERS

Notes:

- (1) The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising 157,901,384 Shares (excluding Treasury Shares).
- (2) Song Yanan is deemed interested in the Shares of the Company held by Golden Ever International Property Management Limited by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("SFA").
- (3) Wang Tingbao is deemed to be interested in the Shares of the Company held by the following:
 - (i) All the Shares held by Chinese Glory Investments Limited by virtue of Section 4 of the SFA;
 - (ii) 22 Shares held under UOB Kay Hian Pte Ltd; and
 - (iii) 200,000 Shares held under Phillip Securities (HK) Ltd.
- (4) David Yip Wai Sun is deemed to be interested in the Shares of the Company held by Chinese Glory Investments Limited by virtue of Section 4 of the SFA.
- (5) Christine Mak is deemed to be interested in 42,000 Shares held under DBS Vickers (Hong Kong) Limited, as nominee of Christine Mak.

Save for their respective shareholding interests in the Company as listed above, and save as disclosed in section 2.2 of this Circular, none of the Directors and Controlling Shareholders have any interest, direct or indirect, in the Proposed Disposal other than in their respective capacities as Directors or Shareholders of the Company.

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

5 SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held on 29 March 2018, at 10.00 a.m. at Room 602, Level 6, RELC International Hotel, 30 Orange Grove Road, Singapore 258352, for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions set out in the Notice of SGM.

6 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the SGM and who wish to appoint a proxy to attend and vote at the SGM on their behalf should complete, sign and return the proxy form attached to the Notice of SGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for the SGM. The completion and return of the proxy form by such Shareholder will not prevent him from attending the SGM and voting in person in place of his proxy should he subsequently wish to do so. Only Shareholders whose names are entered on the Register of Members of the Company and who are entitled to attend and vote at a general meeting of the Company will receive a proxy form with this Circular. A proxy need not be a Shareholder of the Company.

Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the SGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors, who are individuals and who are unable to attend the SGM personally and wish to appoint a nominee to attend and vote on his behalf, and Depositors who are not individuals, will find attached to this Circular a Depositor Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for the SGM. The completion

LETTER TO SHAREHOLDERS

and return of the Depositor Proxy Form by a Depositor will not prevent him from attending and voting in person at the SGM as proxy of CDP if he subsequently wishes to do so.

7 DIRECTORS' RECOMMENDATIONS

The Directors, having considered and reviewed, *inter alia*, the terms of the SPA and the rationale for the Proposed Disposal, are of the view that the Proposed Disposal is in the interests of the Company, and recommend that Shareholders vote in favour of the resolutions relating to the Proposed Disposal at the SGM.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his professional adviser.

8 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, it is the sole responsibility of the Directors to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's corporate secretary, TMF Singapore H Pte. Ltd., at 38 Beach Road, #29-11, South Beach Tower, Singapore 189767 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the SGM:

- (a) the Memorandum and Bye-laws of the Company;
- (b) the SPA;
- (c) a copy of the valuation report dated 3 October 2017 by BMI Appraisals Limited in respect of three industrial complexes and two land parcels located in Linyi City, Shandong Province, PRC; and
- (d) a copy of the valuation report dated 3 October 2017 by BMI Appraisals Limited in respect of machineries and equipment located in Linyi City, Shandong Province, PRC.

Yours faithfully
For and on behalf of the Board of Directors of
UNITED FOOD HOLDINGS LIMITED

Song Yanan
Non-Executive Chairman

NOTICE OF SPECIAL GENERAL MEETING

UNITED FOOD HOLDINGS LIMITED

(Incorporated in Bermuda as an exempted company limited by shares)
(Company Registration Number: 28925)

NOTICE IS HEREBY GIVEN that a Special General Meeting (“**SGM**”) of United Food Holdings Limited (the “**Company**”) will be held at Room 602, Level 6, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 on 29 March 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution as an ordinary resolution:

*All capitalised terms used in this Notice of SGM **which** are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular dated 14 March 2018 to the Shareholders of the Company (the “**Circular**”).*

AS ORDINARY RESOLUTION

RESOLUTION: THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF POST-ANTE TRADING LIMITED AS A MAJOR TRANSACTION

That approval be and is hereby given for:

- (a) the disposal of 100% of the issued and paid-up share capital of Post-Ante Trading Limited for an aggregate consideration of RMB75,000,000 which shall be satisfied by (i) a refundable cash deposit of RMB20,000,000; (ii) a cash consideration of RMB40,000,000 and (iii) a further cash amount of RMB15,000,000 payable to the Company at any time during the six month period commencing from the completion date of the Proposed Disposal (as defined herein), subject to the terms and conditions of the sale and purchase agreement dated 24 November 2017 as entered into between Financial Services Company for Innovative Industry in China Limited (the “**Purchaser**”) and the Company (the “**Vendor**”) (the “**SPA**”) (the “**Proposed Disposal**”); and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all acts and things as they and/or each of them may consider desirable, necessary or expedient for the purposes of or in connection with the Proposed Disposal and to give effect to this resolution (including any amendment to the SPA, execution of any other agreements or documents and procurement of third party consents as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company).

By Order of the Board
United Food Holdings Limited

Yoo Loo Ping
Chiang Wai Ming
Joint Company Secretaries
14 March 2018

NOTICE OF SPECIAL GENERAL MEETING

IMPORTANT: Please read notes below.

Notes:

1. A depositor holding Shares through The Central Depository (Pte) Limited (“**Depositor**”) who is an individual and who wishes to attend the SGM in person need not take any further action and can attend and vote at the SGM as The Central Depository (Pte) Limited’s proxy without the lodgement of any proxy form.
2. A Depositor who is an individual but is unable to attend the SGM personally and wishes to appoint a nominee as The Central Depository (Pte) Limited’s proxy to attend and vote on his behalf, must complete, sign and return the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the SGM. Similarly, a Depositor who is a corporation and who wishes to attend the SGM must submit the Depositor Proxy Form for the appointment of nominee(s) to attend and vote at the SGM on its behalf.
3. If a member with Shares registered in his name in the Register of Members is unable to attend the SGM and wishes to appoint a proxy to attend and vote at the SGM in his stead, he should complete and sign the relevant Member Proxy Form and deposit the duly completed Member Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the SGM.
4. If a person who has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members is unable to attend the SGM and wishes to be represented at the SGM, he should use the Depositor Proxy Form and the Member Proxy Form, respectively, for the Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members.
5. If the member or Depositor is a corporation, the proxy form must be executed under seal or the hand of its duly authorised officer or attorney.
6. All proxy forms must be deposited at the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the SGM.
7. A proxy need not be a member.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor’s personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor’s breach of warranty.

PROPOSED DISPOSAL OF POST- ANTE TRADING LIMITED ("PROPOSED DISPOSAL")

*Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the announcements made by United Food Holdings Limited (the "**Company**") on 17 October 2017, 16 November 2017 and 24 November 2017 relating to the Proposed Disposal ("**Announcements**").*

1. INTRODUCTION

The Board of Directors of the Company (the "**Board**") refers to the Announcements made in relation to the Proposed Disposal.

2. DESPATCH OF THE CIRCULAR

The Board wishes to announce that the Company has today despatched to shareholders of the Company ("**Shareholders**") a circular dated 14 March 2018 ("**Circular**") in relation to the Proposed Disposal. The Circular contains, *inter alia*, a notice for convening a special general meeting of the Company ("**SGM**") on 29 March 2018 at 10.00 a.m. at Room 602, Level 6, RELC International Hotel, 30 Orange Grove Road, Singapore 258352, for the purpose of seeking Shareholders' approval on the Proposed Disposal as a Major Transaction as defined under Rule 1010 of the Listing Manual.

Shareholders who do not receive the Circular within seven days from the date of this announcement should contact the Company's Share Transfer Agent at the following address:

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

An electronic copy of the Circular and Notice of the SGM will be made available on the website of Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com.

3. TRADING CAUTION

Shareholders and potential investors of the Company are advised to exercise caution in trading their shares. The Proposed Disposal is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Song Yanan
Non-Executive Chairman
14 March 2018